

Common Sales Tax Questions Concerning New Legislation

Following are commonly asked questions relating to the services that became taxable during the 2011 legislative session. NOTE that there are exemptions from sales and use taxes that may be claimed by certain purchasers (for example, sales to certain governmental entities or to qualifying charitable organizations are exempt). See **Informational Publication 2006(11)**, *Getting Started in Business*, for more details.

Clothing

- Are mastectomy bras taxable? **No. Mastectomy bras are exempt under Conn. Gen. Stat. §12-412(19)(B), which exempts “artificial devices individually designed, constructed or altered solely for the use of a particular handicapped person so as to become a brace, support, supplement, correction or substitute for the bodily structure, including the extremities of the individual...”** ([Added on August 2, 2011](#))
- Are rubber or mesh pants to be worn over adult diapers taxable? **Yes. While disposable adult diapers are exempt under Conn. Gen. Stat. §12-412(53), the plastic pants or mesh pants worn over the diaper are subject to sales and use taxes. Conn. Gen. Stat. §12-412(53) provides an exemption for “certain disposable pads prepared for use in the manner of a diaper or as an underpad, and commonly used by persons who are incontinent.”** ([Added on August 2, 2011](#))

Cosmetic Medical Procedures

- Is circumcision taxable as a cosmetic medical procedure? **No.** ([Added on July 6, 2011](#))
- Is laser eye surgery taxable as a cosmetic medical procedure? **No.** ([Added on July 6, 2011](#))
- Is dental and orthodontia work taxable as cosmetic medical procedures? **No. Dental procedures are excluded from taxable cosmetic medical procedures.** ([Added on July 6, 2011](#))
- Customers purchased packages of appointments where services are performed before and after July 1. For example, a customer pays for a package 10 hours of laser hair removal on May 1, appointments are made for 1 hour each. The customer has used 3 appointments prior to July 1 and will use the remaining 7 appointments July 1 and after. ([Added on August 2, 2011](#))
 - **Payments made on or before May 4, 2011, for services provided before and after July 1, 2011, are not subject to additional tax.**
 - **Payments made after May 4, 2011, for services provided on or after July 1, 2011, are fully subject to tax.**
 - **Payments made after May 4, 2011, for services provided before and after July 1, 2011, are subject to tax at the 6.35% rate.**
 - **Payments made at any time, including payments for past due charges, for services provided during periods before July 1, 2011, are subject to the applicable sales and use tax rate in effect during the period or periods.**
- Is ear piercing performed in a doctor's office a taxable cosmetic medical procedure? **No. Ear piercing is not a taxable service.** ([Added on August 2, 2011](#))

- Are services by licensed electrologists taxable? **No. Services by licensed electrologists remain nontaxable, although laser hair removal is now taxable as services in connection with a cosmetic medical procedure, and other services by depilatory salons, hair removal or hairwaxing remain taxable as miscellaneous personal services; see Special Notice 2001(2), *Miscellaneous Personal Services*. (Added on August 2, 2011)**

Hazardous Waste and Other Contaminants

- We perform asbestos, lead and mold removal/abatement services. Do we have to charge the 6.35% sales tax on these services beginning July 1, 2011? Is the abatement of asbestos and lead now taxable at the 6.35% rate? **Yes. On and after July 1, 2011 services rendered in the voluntary evaluation, prevention, treatment, containment or removal of hazardous waste, as defined in section 22a-115, or other contaminants of air, water or soil become taxable if rendered to existing commercial real property, existing industrial real property or existing income-producing real property. Note that such services remain nontaxable when rendered to residential real property. (Added on July 1, 2011)**

Intrastate Transportation

- Does a limousine service provider who is located in Connecticut have to register as a retailer even though all of the provider's business is interstate (between Connecticut and New York)? **All limousine businesses located in Connecticut must register for sales and use taxes, even if all of their trips are interstate. These businesses will have to file sales and use tax returns showing gross receipts of labor and services, and would then deduct the non-taxable services (the interstate trips) on line 47 (nontaxable labor and services) on the back side of the return. (Added on July 1, 2011)**
- Are gratuities (tips) relating to intrastate transportation services taxable? **Any mandatory tip or gratuity becomes part of the taxable gross receipts for intrastate transportation services. A tip paid to the driver that is not mandatory is not considered part of the gross receipts and so is not taxable. (Added on July 1, 2011)**
- Will the tax on intrastate transportation services be collected on the total charges billed to a client, such as gratuity, tolls, parking fees, fuel surcharge and account service charge? **Charges by intrastate transportation service providers for reimbursed expenses, incidental or additional items provided during or in connection with intrastate transportation services, such as beverages, food, cellular telephone calls, videos, tolls, fuel, fuel surcharge, parking fees, waiting time and mandatory tips or gratuities, whether or not separately stated, are considered to be charges for intrastate transportation services and are subject to sales and use taxes. (Added on August 2, 2011)**
- Is a "suggested gratuity 20%" on the bill to the customer for intrastate transportation services by livery services taxable? **If the bill to the customer does not include the 20% "suggested" gratuity, then any gratuity paid directly from customer to the driver is not subject to tax. However, if a mandatory gratuity is included in the bill to the customer, it is considered part of the taxable gross receipts. (Added on August 2, 2011)**
- A service provider transports elderly and handicapped individuals for trips to medical appointments, the grocery store, family visits, etc. The service is similar to dial-a-ride but the provider does not have an agreement with the state or any municipality. The provider has a

fleet of handicapped access vans, and is registered with DOT for transportation of elderly and handicapped. Are the services by the provider taxable as intrastate transportation services? **Yes. This is a taxable livery service because it does not fall under any of the exclusions:** (Added on August 2, 2011)

- **Intrastate transportation services shall not include transportation by:**
 - taxicab,
 - motor bus,
 - ambulance or ambulette,
 - scheduled public transportation,
 - medical transportation provided under the Medicaid program,
 - paratransit services provided by agreement or arrangement with the state or any political subdivision of the state,
 - dial-a-ride services, or
 - services provided in connection with funerals
- What are "paratransit services" that are excluded from taxable intrastate transportation services? **Mandated by the Americans with Disabilities Act (ADA) of 1990, paratransit van services are provided in all areas with local fixed route bus services for people who can't use the local bus system due to their disability. Please visit the Connecticut Department of Transportation's web site for the list of paratransit services provided in Connecticut:** (Added on August 2, 2011)

<http://www.ct.gov/dot/cwp/view.asp?a=1386&q=305316>

- Is non-emergency medical transportation that is provided to transport an elderly patient to a medical appointment that is paid by Medicare taxable as an intrastate transportation service? **Yes, this transportation is taxable as intrastate transportation services because it does not come within any of the following exclusions:** (Added on August 2, 2011)
 - taxicab,
 - motor bus,
 - ambulance or ambulette,
 - scheduled public transportation,
 - nonemergency medical transportation provided under the Medicaid program,
 - paratransit services provided by agreement or arrangement with the state or any political subdivision of the state,
 - dial-a-ride services, or
 - services provided in connection with funerals
- Is the transportation of children to school by hired car if the driver is paid by the student's parent taxable as an intrastate transportation service? **Transportation of children to school by hired car where the driver is paid by the student's parent is subject to sales and use taxes as an intrastate transportation service.** (Added on August 2, 2011)
- An individual performs the service of driving a customer in the customer's own vehicle. Is this service taxable as an intrastate transportation services? **No. An individual paid to drive his customer's own vehicle is not taxable as intrastate transportation services provided by livery services.** (Added on August 2, 2011)

Jewelry

- Is the purchase of a gemstone alone considered "jewelry" subject to the 7% rate? **No. Buying a gemstone only is not "jewelry" that could be taxable at the 7% rate, so it is taxable at 6.35%.** (Added on July 6, 2011)

- If a jewelry store is performing a repair on piece of jewelry and a part used in the repair is \$5,000 or more, should the repair part be taxed at 7% while the repair labor is taxed at 6.35% or is the entire repair just taxed at 6.35%? **The 7% rate is on the sale or purchase of jewelry, not its repair or parts. The 6.35% rate applies to charges for repair services to tangible personal property and the integral parts.** (Added on July 6, 2011)

Manicure services, pedicure services and all other nail services

- Is nail care for diabetic patients taxable as manicure and pedicure services? **Nail care services provided for diabetic patients at a doctor's office are not subject to sales and use taxes.** (Added on August 2, 2011)

Motor Vehicles

- Does the 7% luxury tax of PA 11-6, s. 93 & 97 apply to rentals and leases? The new **7% rate applies to leases and rentals of motor vehicles. Please refer to the Notice for motor vehicle dealerships for more details.** (Added on July 1, 2011)
- Effective July 1, a motor vehicle with a sales price exceeding \$50,000 will be subject to the new luxury sales tax rate of 7%. Does the 7% rate apply if a trade-in credit for that motor vehicle reduces the balance below \$50,000? **The determination of whether to apply the 6.35% or 7% rate is based on the sales price before the trade-in exclusion is deducted; however, the amount on which tax is actually charged is net of the trade-in exclusion. Please refer to the Notice for motor vehicle dealerships for more details.** (Added on July 1, 2011)
- If the lease or rental term of a passenger motor vehicle is more than 30 days, would the lease and rental for the entire term be subject to 6.35% tax? Or is the first 30 days subject to 9.35%? **If the initial agreement was for a term of more than 30 days, the 6.35% rate (or the 7% rate for a motor vehicle with a value over \$50,000) applies to the entire term, including the first 30 days.** (Added on July 1, 2011)
- If a passenger motor vehicle valued over \$50,000 is leased or rented, would the first thirty days be subject to the 9.35% rate or then would all of the payments be subject to 7% rate? **Rentals of passenger motor vehicles for a term of 30 days or less are taxable at 9.35%, regardless of the value of the vehicle.** (Added on July 1, 2011)
- For a motor vehicle lease of a vehicle valued over \$50,000 that commenced in 2010, and after July 1st, 2011 the vehicle's value has dropped below \$50,000, will the tax rate on the lease payments tax rate 7% or 6.35%? **Whether the 7% rate applies is based on the "Agreed Upon Value" at lease inception, not the value of the vehicle as of July 1, 2011. Please refer to the Notice for motor vehicle dealerships for more details.** (Added on July 1, 2011)
- Which tax rate applies if after leasing a motor vehicle with an "Agreed Upon Value" of more than \$50,000, the lessee wants to purchase it at the end of the lease term and the value of the vehicle has depreciated to less than \$50,000? **The tax rate will be determined by the sales price of the vehicle at the time the lessee purchases it.** (Added on July 1, 2011)
- If a customer agreed to buy a motor vehicle on June 30, 2011 and applied for a loan, and the bank approves the loan after June 30, which rate should apply? **Because applying for a loan is not a binding purchase contract, the sale of the motor vehicle took place after July 1, 2011, and so the new 6.35% or 7% rate applies.** (Added on July 6, 2011)
- Are rentals of box trucks taxable as rentals of "passenger motor vehicles" at 9.35%? **A "box truck" is not a "passenger motor vehicle," which is defined as "a motor vehicle used for the private transportation of persons and their personal belongings, designed to**

carry occupants in comfort and safety, with a capacity of carrying not more than ten passengers including the operator thereof" (Conn. Gen. Stat. § 14-1(66)). Thus the rental of a "box truck" is taxable at 6.35%, not 9.35%. ([Added on July 6, 2011](#))

- Does the 7% tax rate for motor vehicles sold for a sales price exceeding \$50,000 apply to motor homes [and](#) trailers? **Yes. When such vehicles are sold for a sales price exceeding \$50,000, the 7% tax rate applies.** ([Added on August 2, 2011](#))

Motor Vehicle Rentals

- Does the 9.35% rental rate for motor vehicle rentals for 30 days or less apply to motor homes? **The rental or leasing of a "passenger motor vehicle" for a period of 30 consecutive calendar days or less is subject to a 9.35% sales and use tax effective July 1, 2011. The 9.35% sales and use tax rate does not apply to the rental of motor homes.** ([Added on August 2, 2011](#))

Motor Vehicle Storage Services

- Would motor vehicle storage in garages at residential property be subject to tax? **Yes, a charge for motor vehicle storage at a residential location is subject to tax on motor vehicle storage services.** ([Added on July 1, 2011](#))
- Must the vehicle be stored in Connecticut for the tax on motor vehicle storage services to apply? **Yes, the vehicle must be stored at a Connecticut location for the tax on motor vehicle storage services to apply.** ([Added on July 1, 2011](#))
- Does the tax on motor vehicle storage services apply to boat storage? **The tax on motor vehicle storage services does not apply to vessels. However, the service of storage or mooring of any noncommercial vessel on land or in the water is currently and will remain subject to Connecticut sales and use taxes; the exception for nonseasonal (November 1 through April 30) dry or wet storage or mooring of noncommercial vessels is and will remain excluded from sales and use taxes.** ([Added on July 6, 2011](#))

Motor Vehicle Towing and Road Services

- What are road services? **"Road services" are roadside assistance services, for example jump starting, changing flat tires, opening locked vehicles.** ([Added on July 1, 2011](#))
- Do motor vehicle towing services include transporting by flatbed? **Yes.** ([Added on July 1, 2011](#))
- Does the road service have to take place in Connecticut to be taxable? **Yes. Only road services rendered within Connecticut are subject to the tax.** ([Added on July 1, 2011](#))
- Are membership fees charged by motor clubs taxable? **No. Fees to belong to a motor club are not taxable.** ([Added on July 6, 2011](#))
- Are towing and road service charges to motor clubs taxable? **Yes. Charges for towing and road services made to motor clubs are taxable.** ([Added on July 6, 2011](#))
- Is the transportation of vehicles for motor vehicle dealer inventories taxable? **No. Towing and road services do not include transportation of vehicles for dealership inventories.** ([Added on July 6, 2011](#))
- Is a fuel surcharge taxable? **Fuel surcharge is included in taxable gross receipts for towing and road services.** ([Added on July 6, 2011](#))

- Sometimes the recovery of motor vehicles that are involved in accidents requires the use of specialized equipment to lift the vehicle out of a gully or ditch. The vehicle is then brought up to the roadway surface to be towed away using another vehicle. The towing aspect can either be done by the same operator or another tow operator. Is the charge for additional service taxable? **Charges for additional services provided in connection with motor vehicle towing and road services are taxable.** (Added on July 6, 2011)
- If a motor club sends one of its employees to render towing or road service to a member, without charging the member for the service call because it is included as a benefit of membership in the motor club, must the club collect any sales tax from the member for the service call? **No. As long as there is no charge to the member for a towing or road service call, there is no sales or use tax due.** (Added on July 21, 2011)
- If the motor club charges a member for a towing and/or road service call (such as towing the member's car beyond the allowable "free" miles), is the charge to the member taxable? **Yes. Any amount billed to the member for a towing or road service call is subject to sales and use taxes.** (Added on July 21, 2011)
- If a motor club contracts with a third party to render towing and road services to its members, is the charge for towing and road service provided by the third party to the motor club taxable? **Yes. The third party should add 6.35% sales tax on the invoice to the motor club for the towing and road services.** (Added on July 21, 2011)
- If any part of the towing takes place in Connecticut, is the service taxable? **Towing services are taxable if the services (i) originate and terminate in Connecticut; or (ii) originate in Connecticut and terminate outside Connecticut; or (iii) originate outside Connecticut and terminate in Connecticut.** (Added on August 2, 2011)
- Can a motor vehicle repairer buy towing services on a resale? Sometimes a customer asks the repairer to tow their vehicle to the repair shop. The repairer has a towing company bring the vehicle to the repair shop, and the repairer bills the client for the towing and the repair services. **Yes. A motor vehicle repairer can buy towing services on a resale basis, as long as tax on the towing services is collected from the customer.** (Added on August 2, 2011)
- A towing and road service company brings gas to a person who has run out of gas. Are the separately stated charges for gasoline subject to sales tax? **Yes, the entire charge for the road service, including the reimbursement for the gas, is taxable.** (Added on August 2, 2011)

Nonprescription Drugs and Medicines -- Please use this guidance when determining if a product is taxable:

- If a product would have been exempted as a nonprescription medicine listed in Conn. Gen. Stat. § 12-412(48) and further described in **IP 2007(10), Sales and Use Tax Exemptions for Prescription and Nonprescription Drugs and Medicines and Health-Related Products**, it is now taxable: Vitamin or mineral concentrates; dietary supplements; natural or herbal drugs or medicines; products intended to be taken for coughs, colds, asthma or allergies; antihistamines; laxatives; antidiarrheal medicines; analgesics; antibiotic, antibacterial, antiviral and antifungal medicines; antiseptics; astringents; anesthetics; steroidal medicines; anthelmintics; emetics and antiemetics; antacids; and any medication prepared to be used in the eyes, ears or nose. (Added on July 1, 2011)

- In addition, the statutory definition of exempt “food products” excludes medicines except by prescription, tonics and preparations in liquid, powdered, granular, tablet, capsule, lozenge and pill form sold as dietary supplements or adjuncts. (Added on July 6, 2011)
- What happens if vitamins or supplements are “prescribed” in the sense of a non-prescription physician’s order? **A vitamin product is exempt as prescription medicine only if it has the federal legend (required by 21 U.S.C. §353(b), “Caution: Federal Law prohibits dispensing without prescription”) or the Veterinary Label (required by 21 U.S.C. §353(f), “Caution: Federal Law restricts this drug to use by or on the order of a licensed veterinarian”).** (Added on July 6, 2011)
- Will insulin now be subject to sales tax due to the repeal of the exemption for nonprescription drugs and medicines? **Insulin remains nontaxable.** (Added on August 2, 2011)
- Are vaccines still exempt? **Yes.** (Added on August 2, 2011)
- Are products such as Boost, Ensure and energy bars taxable after the repeal of the exemption for nonprescription drugs and medicines? **Any item described in the nonprescription drugs and medicines categories below are now subject to sales and use taxes:**
 - **Nonprescription drugs and medicines, including**
 - vitamin or mineral concentrates;
 - dietary supplements;
 - natural or herbal drugs or medicines;
 - products intended to be taken for coughs, colds, asthma or allergies;
 - antihistamines;
 - laxatives;
 - antidiarrheal medicines;
 - analgesics;
 - antibiotic, antibacterial, antiviral and antifungal medicines;
 - antiseptics;
 - astringents;
 - anesthetics;
 - steroidal medicines;
 - anthelmintics;
 - emetics and antiemetics;
 - antacids; and
 - any medication prepared to be used in the eyes, ears or nose.

Dietary Supplements:

- Products specifically designed and marketed as nutritional supplements or dietary enhancements.
- Dietary supplements generally include specific vitamins, minerals, protein, carbohydrates, fiber, or other nutritional substances.
- Dietary supplements are usually sold as food items (such as nutritional food bars, drinks, or drink mixes), appetite suppressants, diet and weight loss products, fat burning products, weight gain products, health food products, bodybuilding or strength enhancing products, or as drugs and medicines. (Added on August 2, 2011)

Packing and Crating Services

- A freight forwarding service provider consolidates two or more already crated goods into one crate to save on shipping costs. Is such consolidation taxable as packing and crating services? **Yes, consolidating several smaller crates of goods into a single large crate is taxable as packing and crating services.** (Added on August 2, 2011)

Pet Boarding, Grooming and Obedience Services

- Does pet daycare service fall under taxable pet boarding services? **Yes, pet day care services are taxable as pet boarding services.** (Added on July 1, 2011)
- Is "do-it-yourself dog washing" taxable as a pet grooming service? **No, "do-it-yourself dog washing" is not taxable as a pet grooming service.** (Added on July 1, 2011)
- Is dog walking taxable? **A dog walking service on its own is not subject to tax. However, dog walking services provided in connection with dog boarding services are subject to tax.** (Added on July 6, 2011)
- Is the clipping or polishing of pet nails subject to tax? **Yes. Clipping pet nails is taxable as pet grooming services.** (Added on July 6, 2011)
- Is pet bathing alone (no clipping or shearing of fur) taxable? **Yes. The service of bathing pets is taxable as pet grooming services unless an integral part of professional veterinary services.** (Added on July 6, 2011)
- Are charges for additional services provided while a pet is boarded (such as cuddle sessions, walks, treadmill or swim time, or supervised play time) taxable? **Yes. Additional services provided in connection with pet boarding services are taxable.** (Added on July 6, 2011)
- Are dog "socials" (dogs and owners socialize with other dogs and dog owners for a fee) taxable? **If the social is provided in connection with boarding or pet daycare, it is taxable.** (Added on July 6, 2011)
- Is pet sitting at the pet owner's home taxable? **No. Pet sitting at a pet owner's home is not taxable as pet boarding.** (Added on July 6, 2011)
- Are charges to pick up and or deliver the pet from the owner's home to the pet care facility taxable? **If the transportation charge is in connection with pet daycare, pet boarding, pet grooming or pet obedience training, it is included in the taxable gross receipts for the service.** (Added on July 6, 2011)
- If a veterinarian performs pet grooming services separate and not related to other vet services is this taxable? For example, a veterinarian's office may provide pet grooming, or a veterinarian's office may have a third party (not a vet) perform pet grooming services from the vet's place of business. **If the veterinarian renders pet grooming and/or pet boarding services that are not in connection with a veterinary service, the service is taxable.** (Added on August 2, 2011)
- A commercially licensed kennel facility offers canine household training, rally, agility, therapy, etc. in a class setting, in the dog owner's home, or as private instruction and advice. Are these services taxable? **Yes. Pet obedience services are subject to sales and use taxes. Any training service related to pet obedience is taxable.** (Added on August 2, 2011)
- A kennel offers canine training while the dog is boarding there as an additional service. **Additional services provided in connection with pet boarding services are taxable.** (Added on August 2, 2011)
- A kennel offers bathing services for dogs while they are being boarded. Is this service subject to tax? **Pet grooming services are subject to sales and use taxes. Giving a dog a**

bath is taxable as a stand alone service or in connection with boarding services. (Added on August 2, 2011)

- Is energy healing for animals taxable? **Energy healing for animals is not subject to sales and use taxes unless it is sold in connection with pet grooming, pet boarding or pet obedience services.** (Added on August 2, 2011)

Room Occupancy Tax

- What room occupancy tax rate applies to a room that is "prepaid" before July 1, 2011, but will be occupied after July 1, 2011? **The 15% rate applies, because the room is not actually billed until the completion of the guest's stay.** (Added on July 6, 2011)

Spa Services

- Are massages taxable as spa services? **No, massages are not taxable spa services. (However, massage services other than by a licensed massage therapist have been taxable since October 1, 1991. See Special Notice 2001(2), *Miscellaneous Personal Services*, for more information.)** (Added on July 1, 2011)
- Are "hair salon" services (such as hair cuts, hair styling, hair coloring, eye brow tinting, etc.) provided at a spa subject to sales tax? **No, "hair salon" services at a spa are excluded from tax on spa services if separately stated.** (Added on July 6, 2011)
- Is reflexology treated the same way as massage therapy for sales tax purposes? **Yes. Massage services, including reflexology services, provided by a licensed massage therapist are not taxable spa services. (However, massage services other than by a licensed massage therapist have been taxable since October 1, 1991. See Special Notice 2001(2), *Miscellaneous Personal Services*, for more information.)** (Added on July 6, 2011)
- Is Reiki considered a spa service? **Yes. Reiki is a spa service and taxable.** (Added on August 2, 2011)
- Must spa services be performed at a spa to be taxable? **Services considered to be spa services are taxable wherever performed, as long as the location is within Connecticut.** (Added on August 2, 2011)
- Does the service of eye brow waxing/plucking falls under the new tax on spa services? **Eye brow waxing/plucking does not fall under taxable spa services. However, the service is taxable as a miscellaneous personal service, which includes services by depilatory salons, hair removal or hairwaxing; see Special Notice 2001(2), *Miscellaneous Personal Services*.** (Added on August 2, 2011)
- Is the service of spray tanning subject to sales tax? **Tanning salon services are subject to sales and use taxes as one of the miscellaneous personal services (see Special Notice 2001(2), *Miscellaneous Personal Services*). Spray tanning is taxable as a tanning salon service.** (Added on August 2, 2011)
- Are makeup lessons and makeup applications (such as for a bridal party) subject to tax? **No, this is a nontaxable beauty salon service.** (Added on August 2, 2011)
- Is the charge for a massage subject to sales tax when the massage is at a massage school and the students studying (not licensed yet) are giving the massage? **Yes, charges for massage services provided by students who are not yet licensed by the State of Connecticut are subject to tax.** (Added on August 2, 2011)

- Are colonics (also called colonic cleansing, colon hydrotherapy and colonic irrigation) a taxable "spa service"? **Yes, colonic services are taxable as spa services.** ([Added on August 2, 2011](#))

Transition for tax rate changes

- How do we handle purchases of materials for construction contracts that were awarded prior to July 1st but that continue after that date? Those contracts were written with 6% sales tax calculated. **The 6.35% tax rate applies to any sale of tangible personal property occurring on or after July 1, 2011, except that the new rate will not apply to any sale of tangible personal property under a binding sales contract without an escalator clause that was entered into prior to July 1, 2011, where delivery is made within 90 days after July 1, 2011.** ([Added on August 2, 2011](#))

Yoga Instruction

- Is yoga instruction taxable only if provided at a yoga studio? **Yoga instruction is taxable when provided at a yoga studio (a fixed interior location substantially dedicated to yoga instruction) or at a health and athletic club.** ([Added on July 1, 2011](#))
- Is a yoga class with the purpose of getting certified (to teach yoga) or for continuing education for yoga certification subject to sales tax? **Yes. Note that the yoga instruction must take place at a yoga studio or a health and athletic club to be taxable.** ([Added on July 1, 2011](#))
- Are Pilates classes provided in a yoga studio exempt from sales and use tax? **Pilates classes are and have been taxable as health & athletic club services, so charges for Pilates classes are taxable at 6.35%.** ([Added on July 6, 2011](#))
- Will yoga provided by a municipality or a 501(c) organization remain exempt? **Yes. While yoga instruction provided at a yoga studio has become taxable as health and athletic club services effective July 1, 2011, such instruction is excluded from tax when provided by municipalities or organizations that are exempt from federal income tax under Section 501(c) of the Internal Revenue Code.** ([Added on August 2, 2011](#))
- We hold yoga classes in our learning studio in our retail store. We also hold different types of yoga classes, such as prenatal classes. We have an independent yoga instructor come in for these classes. Would these classes be taxable under the new law since it is at a yoga studio? **Yes, these are taxable yoga classes.** ([Added on August 2, 2011](#))